



Canada Revenue Agency: 3 Key Tax Changes in 2020 and How Canadians Can Benefit

Description

The coronavirus pandemic has put many people off track and off work. Thankfully, the Canada Revenue Agency and the government have provided some room for these people to catch their breath.

Specifically, the CRA has extended the tax filing and payment deadlines. Additionally, people who can't work related to COVID-19 can apply for the new Canada Emergency Response Benefit (CERB) to collect temporary income. Thanks to the [latest changes](#) in mid-April, this benefit can also apply to folks who still earn some income.

Canada Revenue Agency extends income tax-filing deadline

The CRA has extended the income tax filing deadline for the 2019 tax year.

Specifically, individuals must file their taxes by June 1. Notably, though, self-employed Canadians and their common-law partners have an income tax filing deadline of June 15, which is the same as usual. For those with GST/HST/QST returns filing, the deadline is June 30.

How does this benefit you? The extended deadline gives individuals more time and less stress to do their taxes. Tax reporting can be time consuming, because you must account for all income you earned, including dividend income and booked investment price gains.

For example, it can take a lot of time if you made many stock trades in non-registered accounts during 2019.

CRA extends income tax payment deadline

The Canada Revenue Agency has extended the income tax payment deadline.

Individuals now have until September 1 to pay their 2019 income taxes. If you originally had an

installment payment due on June 15, the deadline is also extended to September 1.

The above tax payment deadlines are also the same for self-employed Canadians and their common-law partners.

How does this benefit you? The extended tax payment deadlines give Canadians more time to calculate and come up with the tax payments *without paying a penalty*.

Here's an example. An investor with a marginal tax rate of 28% bought \$50,000 worth of stocks and sold them for \$80,000, booking capital gains of \$30,000. Half of that is taxable. On a 28% marginal tax rate, the investor would owe \$4,200.

This meaningful amount is not easy to put together if the investor hasn't saved up for it already. Thanks to the extended tax payment deadline, the investor has a few more months to come up with the amount and send it to the CRA.

New benefit

Through the CRA, you can now apply for the new benefit that pertains to individuals, whose income is affected by COVID-19.

Particularly, the CERB provides temporary income to support workers who have stopped working (or are earning much lower income) related to COVID-19.

The latest update on the CERB, as of mid-April, allows people to collect the CERB while earning up to \$1,000 a month. For example, this is great news for self-employed individuals or musicians who experienced big cuts in their income due to the virus.

The new CERB provides \$500 per week for a maximum of 16 weeks. The benefit is available from March 15 to October 3. Remember to apply no later than December 2 for payments retroactive to within that period.

The Foolish bottom line

Canadian Revenue Agency's key tax changes can benefit you. However, you can benefit perpetually from boosting your income stream with dividend stocks, such as **TD** stock, right now. Other [quality dividend stocks](#) are also trading at attractive valuations due to COVID-19 impacts.

CATEGORY

1. Coronavirus
2. Investing

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred

4. Sharewise
5. Yahoo CA

Category

1. Coronavirus
2. Investing

Date

2025/08/27

Date Created

2020/04/21

Author

kayng

default watermark

default watermark